United Nations S/2005/376

Security Council

Distr.: General
7 June 2005

Original: English

Report of the Secretary-General pursuant to Security Council resolution 1579 (2004) regarding Liberia

I. Introduction

1. The present report is submitted pursuant to paragraph 12 of Security Council resolution 1579 (2004) of 21 December 2004, in which the Council requested a report by 7 June 2005, drawing on information from all relevant sources, including the National Transitional Government of Liberia, the United Nations Mission in Liberia (UNMIL) and the Economic Community of West African States (ECOWAS), on progress made towards meeting the conditions stated in paragraph 1 of the same resolution. These conditions relate to the measures imposed against Liberia and Liberian individuals by paragraphs 2, 4, 6 and 10 of resolution 1521 (2003) of 22 December 2003, as renewed by paragraph 1 of resolution 1579 (2004).

2. By paragraph 2 (a) of resolution 1521 (2003), the Security Council decided that all States should take the necessary measures to prevent the sale or supply to Liberia, by their nationals or from their territories or using their flag vessels or aircraft, of arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for the aforementioned, whether or not originating in their territories. In paragraph 2 (b) of that resolution, the Council further decided that all States should take the necessary measures to prevent any provision to Liberia by their nationals or from their territories of technical training or assistance related to the provision, manufacture, maintenance or use of the items noted in paragraph 2 (a).

3. By paragraph 4 (a) of resolution 1521 (2003), the Security Council decided that all States should take the necessary measures to prevent the entry into or transit through their territories of all such individuals, as designated by the Committee of the Security Council established by paragraph 21 of the resolution (hereinafter referred to as "the Committee"), who constitute a threat to the peace process in Liberia, or who are engaged in activities aimed at undermining peace and stability in Liberia and the subregion, including those senior members of former President Charles Taylor's Government and their spouses and members of Liberia's former armed forces who retain links to former President Charles Taylor, as well as those individuals determined by the Committee to be in violation of paragraph 2 of resolution 1521 (2003), and any other individuals, or individuals associated with entities, providing financial or military support to armed rebel groups in Liberia or in countries in the region.

05-37399 (E) 100605

4. By paragraph 6 of resolution 1521 (2003), the Security Council decided that all States should take the necessary measures to prevent the direct or indirect import of all rough diamonds from Liberia to their territory, whether or not such diamonds originated in Liberia. In addition, by paragraph 10 of the resolution, the Council decided that all States should take the necessary measures to prevent the import into their territories of all round logs and timber products originating in Liberia.

5. In paragraph 5 of resolution 1521 (2003), the Security Council also expressed its readiness to terminate the measures imposed by paragraphs 2 (a) and (b) and 4 (a) of the resolution when it determines that the ceasefire in Liberia is being fully respected and maintained, disarmament, demobilization, reintegration, repatriation and restructuring of the security sector have been completed, the provisions of the Comprehensive Peace Agreement (see S/2003/850, annex) are being fully implemented and significant progress has been made in establishing and maintaining stability in Liberia and the subregion. Similarly, in paragraph 8 of the resolution, the Council expressed its readiness to terminate the measures referred to in paragraph 6 of the resolution when the Committee, taking into account expert advice, decides that Liberia has established a transparent, effective and internationally verifiable Certificate of Origin regime for Liberian rough diamonds.

6. In paragraph 12 of resolution 1521 (2003), the Security Council also expressed its readiness to terminate the measures imposed by paragraph 10 of the resolution once it had determined that the goals in paragraph 11 of the resolution had been achieved, including the National Transitional Government of Liberia establishing full authority and control over the timber-producing areas and taking all necessary steps to ensure that Government revenues from the Liberian timber industry are not used to fuel conflict or used otherwise in violation of the Council's resolution, but are used for legitimate purposes for the benefit of the Liberian people, including development.

7. By paragraph 18 of resolution 1521 (2003), the Security Council decided to establish the measures outlined in paragraphs 2, 4, 6 and 10 of the resolution for a period of 12 months. By paragraph 1 of resolution 1579 (2004), the Council decided to renew the measures on arms, travel and timber imposed by paragraphs 2, 4 and 10 of resolution 1521 (2003) for a further period of 12 months, and to review them after 6 months, and to renew the measures on diamonds imposed by paragraph 6 of resolution 1521 (2003) for a further period of 6 months, and to review them after 3 months.

8. The present report covers developments since my report dated 26 May 2004, (S/2004/428), pursuant to resolution 1521 (2003), and includes information from the National Transitional Government of Liberia, UNMIL and ECOWAS.

II. Information provided by the National Transitional Government of Liberia

9. By a letter dated 27 April 2005 (annex I) addressed to my former Special Representative for Liberia, Jacques Paul Klein, the Acting Minister for Foreign Affairs of Liberia transmitted reports prepared by the Ministry of National Defence (enclosure 1), the Ministry of Justice (enclosure 2), the Ministry of Lands, Mines and Energy (enclosure 3) and the Forestry Development Authority (enclosure 4) on

progress made in meeting the conditions outlined in resolution 1521 (2003). The General Manager of Roberts International Airport also submitted a letter dated 20 April 2005 (annex II) directly to my former Special Representative.

A. Arms embargo

10. In his submission (see enclosure 1), the Minister of National Defence reports that the National Transitional Government of Liberia is working with regional Governments, the United Nations and the African Union to ensure that disarmament is carried out within the subregion. He recommends that the arms embargo should not be lifted until the armed forces of Liberia have been restructured and all regional hostilities have ended. He also proposes that the United Nations remain in charge of State security until Liberia's security sector has been successfully restructured.

B. Travel ban

11. The Minister of National Defence also states in his report (see enclosure 1) that his Ministry is in regular contact with the United Nations to ensure that the travel ban list is reviewed and updated periodically. In his letter addressed to my former Special Representative (see annex II), the General Manager of Roberts International Airport states that, given their "financial potential", the individuals on the travel ban list continue to pose a significant risk to the peace process.

C. Diamond sanctions

12. In the summary of activities provided by the Minister of Lands, Mines and Energy (enclosure 3), the Minister reports that the National Transitional Government of Liberia is doing everything possible to meet the requirements of the Kimberley Process certification scheme. In July 2004, the National Transitional Legislative Assembly passed an act legalizing the Kimberley Process certification scheme in Liberia. From 27 to 29 October 2004, a Liberian delegation attended the annual meeting of the Kimberley Process certification scheme in Ottawa. In addition, the Ministry is organizing alluvial miners into mining cooperatives in order to increase control over the industry, as required by the Kimberley Process certification scheme. Moreover, 65 mineral inspectors and 46 mining agents have been trained and assigned to the interior of the country to institute Kimberley Process certification scheme procedures.

13. The National Transitional Government is also constructing a Kimberley Process certification scheme centre, which will provide a database for mineral production, sales and exports. The centre will contain diamond and gold appraisal units, as well as administrative offices. The National Transitional Government has also printed a Kimberley Process certification scheme "certificate" for Liberia, which is to be used once the sanctions are lifted and diamond exportation resumes. In addition, the Ministry of Lands, Mines and Energy, together with UNMIL, conducts joint surveillance and patrolling of border and mining areas.

14. In his report, the Minister of National Defence (enclosure 1) states that the National Transitional Government has established a transparent and internationally

verifiable certificate of origin regime for trade in rough diamonds and has satisfied all conditions for inclusion in the Kimberley Process. He suggests that it would be prudent to lift the sanctions to enable Liberians, in particular ex-combatants, to take advantage of employment opportunities in the diamond sector.

D. Timber sanctions

15. In his letter (enclosure 4), the Managing Director of the Forestry Development Authority reports that the Forestry Development Authority has worked closely with the Liberian Forest Initiative, an international non-governmental organization, to ensure that the necessary reforms are undertaken at the Forestry Development Authority. In that regard, it has hired a new comptroller to ensure financial accountability and transparency and has fully deployed staff to the five regional offices of the newly renovated Forestry Development Authority. He states that these steps should reassure the Security Council that timber revenues are being transparently collected and deposited in the timber revenue account established at the Central Bank of Liberia. He concludes by noting that sanctions have had an adverse impact on the lives of several thousand Liberians who rely on the timber industry for employment and argues that sustainable peace can only be achieved if Liberians are provided with the opportunity to work to rebuild their lives and communities.

16. In his report (see enclosure 1), the Minister of National Defence notes that the imposition of sanctions against timber was necessary to deprive warlords and combatants of revenue and to ensure that the forest areas were brought under the control of the National Transitional Government. He suggests that it would be prudent to maintain the timber sanctions until appropriate laws are enacted in order to ensure careful review of forestry industry revenues and reforestation policies. The General Manager of Roberts International Airport is also in favour of maintaining sanctions. He states that the National Transitional Government has not been able to take positive steps to establish control over Liberia's natural resources and that it will certainly not be able to do so when the sanctions are lifted (see annex II).

III. Information provided by UNMIL

17. The Security Council has not given UNMIL the mandate to monitor or enforce the measures imposed by resolution 1521 (2003), as renewed by resolution 1579 (2004). UNMIL has nevertheless been mandated with a number of responsibilities that have a bearing upon the implementation of those measures.

18. In paragraph 3 (p) of resolution 1509 (2003) of 19 September 2003, the Security Council mandated UNMIL to assist the National Transitional Government, in conjunction with ECOWAS and other international partners, in re-establishing national authority throughout Liberia, including the establishment of a functioning administrative structure at both the national and local levels. UNMIL was also mandated by paragraph 3 (r) of the same resolution to assist the National Transitional Government in restoring proper administration of natural resources.

19. In addition, by paragraph 23 of resolution 1521 (2003), the Security Council welcomed UNMIL's readiness, within its capabilities, its areas of deployment and

without prejudice to its mandate, to assist the Committee and the Panel of Experts (established by paragraph 22 of the same resolution and later re-established by paragraph 8 of resolution 1579 (2004)), in monitoring the measures imposed by the resolution. By paragraph 10 of resolution 1579 (2004), the Council called upon UNMIL to continue to assist the Committee and the Panel of Experts in accordance with paragraph 23 of resolution 1521 (2003). In addition, in paragraph 25 of resolution 1521 (2003), the Council encouraged the National Transitional Government to undertake, with the assistance of UNMIL, appropriate actions to sensitize the Liberian population to the rationale of the measures in the resolution, including the criteria for their termination.

A. Activities of the United Nations Mission in Liberia with a bearing upon the implementation of the Security Council measures imposed against Liberia and Liberian individuals

20. UNMIL is supporting the National Transitional Government in its efforts to meet the conditions related to the measures imposed by the Security Council in paragraphs 2, 4, 6 and 10 of resolution 1521 (2003), as renewed by paragraph 1 of 1579 (2004). In that regard, the Mission has established a Working Group on Sanctions to coordinate the sanctions-related activities being undertaken by UNMIL's military, civilian police, civil affairs, legal and judicial support, as well as environment and natural resources components. The Working Group meets regularly to discuss the implementation of the measures imposed by resolutions 1521 (2003) and 1579 (2004) and to provide, as and when requested, information and support to the Panel of Experts appointed pursuant to resolution 1579 (2004).

21. During their visits to Liberia, UNMIL provides members of the Panel of Experts with logistical and administrative support, including office facilities, transportation and security. In that regard, the Mission has provided security escorts and air support to Panel members for aerial reconnaissance missions. UNMIL provided similar support to the Kimberley Process expert mission, which visited Liberia from 14 to 18 February 2005, to assess the country's state of readiness to participate in the Kimberley Process certification scheme.

22. While performing their core responsibilities, UNMIL's civilian police personnel deployed at the borders, the Freeport of Monrovia and the Roberts International Airport monitor commercial or criminal activities suspected to be in violation of the sanctions, as well as the movement of individuals who may be the subject of travel ban restrictions. In that regard, specialist officers from the Mission's Major Crimes Investigations Unit and the Civilian Police Commissioner's office assist in investigating and following up on sensitive cases.

23. UNMIL's military component assists Government agencies, including customs, immigration and the Liberia National Police, in securing compliance with the sanctions measures. The Mission maintains checkpoints throughout the country and conducts air and ground border patrols to monitor the movement of persons, arms and other items subjected to sanctions. It also follows up on intelligence related to sanctions violations and conducts cordon and search operations to retrieve arms and ammunition. UNMIL's military component also coordinates its activities with the United Nations Mission in Sierra Leone (UNAMSIL) and the United Nations

Operation in Côte d'Ivoire (UNOCI) and shares information on illegal border activities.

24. UNMIL's Civil Affairs officers support governmental authorities in their efforts to restore and consolidate State authority throughout Liberia. They maintain close liaison with the Ministry of Lands, Mines and Energy and the Forestry Development Authority and also advise them on the steps needed to meet the conditions for the lifting of diamond and timber sanctions, respectively. In the course of performing their core duties, Civil Affairs officers assigned to the counties also monitor the steps being taken by the Ministry of Lands, Mines and Energy and the Forestry Development Authority to meet the conditions for lifting the sanctions.

25. UNMIL's Environment and Natural Resources Unit works closely with the Forestry Development Authority and assists in building the capacity of the forestry sector. In the course of their activities, the Environment and Natural Resources Advisers, together with Civil Affairs Officers assigned to the forestry sector, monitor the steps taken by the National Transitional Government to meet the conditions for the lifting of timber sanctions.

26. UNMIL's Legal and Judicial Support Unit liaises with the Ministry of Justice on the measures imposed by Security Council resolution 1521 (2003), as renewed by resolution 1579 (2004), in particular those measures related to the travel ban, and also serves as a point of contact between the Ministry and the Committee.

27. UNMIL's Public Information Unit assists the National Transitional Government in sensitizing the public on a range of issues related to the sanctions. UNMIL radio broadcasts programmes on sanctions, which feature members of the Panel of Experts, representatives of civil society and journalists. At the same time, UNMIL also brings to the attention of relevant parties, including the Governments of neighbouring States and those States whose airports receive and send commercial flights to and from Liberia, amendments to the travel ban list maintained by the Committee.

B. Progress towards meeting the conditions stated in paragraph 1 of resolution 1579 (2004)

28. The National Transitional Government has experienced mixed progress in meeting the conditions mentioned in paragraph 1 of resolution 1579 (2004).

1. Arms embargo and travel ban

29. Encouraging progress has been made in meeting the conditions that would eventually allow for the termination of the arms embargo and travel ban, as outlined in paragraph 5 of resolution 1521 (2003) and referred to in paragraph 1 of resolution 1579 (2004).

(a) Maintenance of the ceasefire

30. The security situation in the country, although fragile, has remained relatively stable. The disarmament and demobilization process officially ended on 3 November 2004 and the armed factions were formally declared disbanded on the same date. As a result, the activities of the Joint Monitoring Committee have ended.

(b) Progress in disarmament, demobilization, reintegration and repatriation

31. The number of combatants disarmed during the formal disarmament and demobilization process was 101,495, including 22,370 women, 8,523 boys and 2,440 girls. During the process, 28,314 light weapons, 33,604 pieces of heavy munitions and some 6.5 million rounds of small arms ammunition were collected. Since the formal closure of the disarmament and demobilization process, UNMIL has received 286 weapons, which were either voluntarily surrendered or discovered, as well as 31,171 assorted pieces of ammunition and 308 pieces of unexploded ordnance.

32. During the disarmament and demobilization process, 612 foreign ex-combatants were identified. The International Committee of the Red Cross recently assisted 34 individuals from this group, who were found to be children associated with fighting forces, to return to their countries of origin, including: 5 to Côte d'Ivoire; 16 to Guinea; and 13 to Sierra Leone. The remaining foreign ex-combatants are still awaiting repatriation. In April, a 389 Liberian former fighters interned in Sierra Leone were repatriated to Liberia, pursuant to an agreement between the Governments of Liberia and Sierra Leone.

33. Currently, close to 65,000 ex-combatants have yet to enter reintegration programmes. The successful implementation of the rehabilitation and reintegration process, through the provision of meaningful educational or vocational training opportunities for ex-combatants, continues to be delayed owing to a funding shortfall of $39 million. It is hoped that the generous pledges made by the United States of America, the European Commission and Sweden will be redeemed shortly and that additional funding will be provided by the international community to meet this funding deficit.

(c) Progress in restructuring the security sector

34. The restructuring of the police sector is making steady progress: 401 Liberian National Police and 33 Special Security Services officers have graduated from the National Police Academy; 436 recruits are currently participating in an initial three-month basic training; 684 cadets have moved on to field training; and 34 Special Security Service officers are in close protection training. The Liberian National Police has established its presence in all 15 counties. The restructuring of the armed forces, however, has progressed slowly, primarily because the Government lacks the funds to pay the pensions and separation packages of existing military personnel. The National Transitional Government estimates that $16.4 million is required to decommission the former armed forces of Liberia. On 15 May, the Chairman of the National Transitional Government, Mr. Charles Gyude Bryant, signed an Executive Order declaring that as of 31 May 2005, the demobilization and retirement process for members of the former armed forces of Liberia would commence. This decommissioning exercise is expected to be completed by September, following which, DynCorp, a company contracted by the United States to assist the National Transitional Government in the restructuring of the military, is expected to begin the recruitment and training exercise for the new armed forces.

(d) Progress in the implementation of the Comprehensive Peace Agreement

35. In principle, the implementation of the Comprehensive Peace Agreement will have been achieved when national elections are held and a new Government is

installed in Liberia. Thus far, progress achieved in the implementation of this Agreement has been mixed. Preparations for the 11 October 2005 national elections remain on track and the restoration of State authority throughout the country continues, although the Government still lacks the capacity to control and properly manage the country's resources. Tensions have continued however in the National Transitional Legislative Assembly, stemming from the suspension, on 14 March 2005, of the Speaker, his Deputy and the Chairpersons of the Ways and Means Committee and the Rules and Orders Committee for administrative and financial malpractice.

36. Several officials within the National Transitional Government have attempted to obstruct the conduct of the European Commission-financed audits of the Central Bank and five State institutions, as well as the activities of the ECOWAS team investigating allegations of corruption within the institutions of the National Transitional Government. In addition, some officials within the National Transitional Government have resisted implementing institutional reforms aimed at stopping corruption. These developments could potentially undermine the smooth implementation of the Comprehensive Peace Agreement.

37. On 11 May 2005, the European Commission convened a meeting of international partners, including ECOWAS, the International Monetary Fund (IMF), the United Nations, the United States Government and the World Bank, in Copenhagen, in order to review the findings of the European Commission-financed audits. The participants concluded that financial malfeasance, lack of transparency and an absence of accountability are undermining the implementation of the Comprehensive Peace Agreement. As such, it was agreed that an economic governance action plan would be developed, which would be presented to the National Transitional Government for implementation and also submitted for the consideration of the Security Council.

(e) Progress in maintaining stability in Liberia and the subregion

38. UNMIL's deployment throughout the country, combined with enhanced security measures in preparation for the organization of elections, has reinforced the stability of the country. However, a number of fundamental sources of domestic instability remain, including ex-combatants frustrated by delays in gaining access to reintegration opportunities, tensions within the National Transitional Legislative Assembly, as well as public reaction to corruption within the National Transitional Government and its inability to deliver basic services. Furthermore, various spoilers have attempted to derail the peace process, including supporters of former President Charles Taylor and serving Cabinet Ministers and legislators who are barred under the Comprehensive Peace Agreement from contesting the elections.

39. Former President Charles Taylor is reportedly in regular contact with his former business, military and political associates in Liberia and is suspected of sponsoring a variety of presidential candidates with a view to ensuring that the next Liberian Government will include his sympathizers. This issue requires the attention of West African leaders and the Security Council.

40. Within the subregion, the steady consolidation of peace in Sierra Leone has been a positive development. Cross-border liaison has been established between UNMIL and UNAMSIL and the situation in the border areas has remained stable. However, the possible draw-down of UNAMSIL during 2005 could affect future

border stability. Meanwhile, there are a number of possible external threats to Liberia's stability. Setbacks in the peace process in Côte d'Ivoire could have a negative effect, as evidenced by the influx of over 10,000 Ivorian refugees into Liberia in November 2004, following disturbances in Côte d'Ivoire. There have also been persistent reports that individuals from both sides of the Ivorian conflict are recruiting fighters from Liberia.

2. Diamond sanctions

41. Since my last report, the Ministry of Lands, Mines and Energy has taken a number of additional steps, as laid out in paragraph 7 of resolution 1521 (2003), towards establishing an effective, transparent and internationally verifiable Certificate of Origin regime for trade in Liberian rough diamonds. With the assistance of UNMIL and other international partners, including the United Nations Development Programme (UNDP) and the United States Agency for International Development (USAID), the Ministry has trained, equipped and deployed 65 mineral inspectors and 46 mining agents to the interior of the country, to institute Kimberley Process certification scheme procedures. At the same time, training workshops on mining cooperatives have been held for Ministry officials and artisanal miners. The United States has also committed $500,000 for the purchase of equipment for the inspection, certification and appraisal activities of the Ministry, while China has agreed to contribute $100,000 for surveying equipment.

42. The team of experts from the Kimberley Process certification scheme, which visited Liberia from 14 to 18 February 2005, reported that Liberia faced considerable challenges in enforcing the internal controls and monitoring systems required to maintain the effectiveness and integrity of the Kimberley Process certification scheme, with a key challenge being the absence of security and Government control in the diamond-producing regions. It also stated that Liberia still required considerable international support, including technical assistance, to meet the minimum requirements of the Kimberley Process certification scheme. Their report recommended that UNMIL's mandate should be broadened to include provisions authorizing the policing, monitoring and surveillance of diamond-producing areas. It also proposed that UNMIL should deploy as soon as possible to all diamond-producing areas to provide support to the Government.

43. Although the Kimberley Process expert mission's recommendations merit serious consideration, UNMIL currently possesses neither the enforcement mandate nor the troop capacity to implement them. Moreover, the Mission is currently focused on ensuring adequate security coverage for the electoral process. UNMIL would require an enforcement mandate and additional resources to effectively deploy to the diamond-producing areas to police and monitor diamond mining activities. In this regard, it may be prudent for a package of measures to be developed focusing on, inter alia, building the capacity of the Government, community empowerment and the deployment of diamond-mining, inspectors, police and other security personnel to assist the National Transitional Government in meeting the benchmarks for entry into the Kimberley Process certification scheme.

3. Timber sanctions

44. The National Transitional Government has not been able to establish full authority and control over the timber-producing areas nor to take all the steps necessary in order to ensure that Government revenues from the Liberian timber industry are not used to fuel conflict or used otherwise in violation of the relevant Security Council resolutions but are used rather for legitimate purposes for the benefit of the Liberian people, including development, as outlined in paragraph 11 of resolution 1521 (2003). It should be noted that the Forestry Development Authority remains constrained by a lack of capacity and expertise. However, in an initiative designed to increase financial transparency, the Forestry Development Authority has opened two dedicated accounts with the Central Bank of Liberia, to which all balances from other bank accounts have been transferred.

IV. Information provided by the Economic Community of West African States

45. In a letter dated 19 May 2005 from the Special Representative of the Executive Secretary of ECOWAS in Liberia addressed to the Officer-in-Charge of UNMIL (annex III), the Special Representative states that "whilst the National Transitional Government of Liberia has taken some measures towards meeting the conditions for lifting sanctions, it may be premature to lift these sanctions now. Control measures are weak, if non-existent. Until effective controls are put in place, abuse is possible and even likely".

V. Observations

46. The National Transitional Government has continued to take steps towards meeting the conditions contained in paragraphs 5, 7 and 11 of resolution 1521 (2003). With regard to the arms embargo, the conclusion of the disarmament and demobilization process and the dissolution of the armed factions signalled the successful completion of the implementation of the ceasefire agreement. Furthermore, the progress made towards organization of the October 2005 elections, as well as the progress made in other sectors, provides hope that the peace process will, in accordance with the Comprehensive Peace Agreement, be brought to a successful conclusion. However, a key condition for lifting the arms embargo and the travel ban is the full implementation of the Comprehensive Peace Agreement, which includes the holding of national elections, a new Liberian Government assuming office and the laying of the foundations for sustainable development and good governance.

47. Despite the progress made, a number of potential sources of instability threaten to undermine the success of the transitional process, including delays in the restructuring of the armed forces of Liberia and in the provision of reintegration opportunities for former combatants. I would urge Member States and the international donor community to redouble their efforts to ensure that the National Transitional Government has the necessary technical and financial support to complete this vital military restructuring exercise and to ensure the timely reintegration of former combatants. Without considerable progress on these fronts, it will be very difficult to devise a viable exit strategy for UNMIL.

48. There are several signs of progress with respect to meeting the conditions for lifting the diamond sanctions. The training and deployment of mineral inspectors and diamond agents, the organization of alluvial miners into cooperatives and the construction of a centre for appraising and certifying rough diamonds all demonstrate tangible progress towards meeting the requirements for joining the Kimberley Process certification scheme. Nevertheless, a major deterrent in ensuring that rough diamonds do not fall into the hands of those who might use the process to fuel conflict is ensuring effective Government control over diamond-producing areas and Liberia's borders. The National Transitional Government lacks the capacity to provide such control and UNMIL lacks both the mandate and the troop levels necessary to perform such a role. The Security Council might therefore consider whether it wishes to broaden the mandate and increase the resources of UNMIL to enable it to assist the National Transitional Government in providing security in the diamond and timber-producing areas.

49. With respect to meeting the conditions for lifting the timber sanctions, the National Transitional Government has not yet fully instituted the reforms required to ensure that Government revenues are used for legitimate purposes for the benefit of the Liberian people. In order to promote genuinely transparent and accountable oversight of the Liberian forestry sector, the Government should be encouraged to invite an internationally recognized forestry management team to temporarily oversee operations in the forestry sector.

50. I would like to acknowledge with appreciation the assistance provided by some Member States and international organizations to the efforts of the National Transitional Government to reform the timber industry and participate in the Kimberley Process certification scheme, and would urge those in a position to do so to provide additional support. Such assistance is vital if Liberia is to continue to make progress towards meeting the goals and objectives outlined in Security Council resolution 1521 (2003) and renewed in resolution 1579 (2004). It is hoped that, through the efforts of the National Transitional Government of Liberia, with the support of the international community, national development activities will benefit fully from the proper management and use of revenues derived from the country's natural resources.

Annex I

REPUBLIC OF LIBERIA
MINISTRY OF FOREIGN AFFAIRS
P. O. BOX 9002
CAPITOL HILL,
MORONVIA, LIBERIA.

OFFICE OF THE MINISTER

April 27, 2005

Mr. Special Representative:

I am pleased to present my compliments and wish to refer to your communication dated April 14, 2005 together with respective resolutions regarding conditions set for lifting sanctions imposed on Liberia by the Security Council.

In this regard, we hereby submit for onward transmission to the United Nations authorities the following reports from the Ministries involved:

1. Ministry of National Defense: the Arms Embargo imposed by paragraph 2 of resolution 1521 (2003) and renewed by paragraph 1 (a) of resolution 1579 (2004) (enclosure 1);

2. Ministry of Justice: the travel Ban imposed by paragraph 4 of resolution 1521 (2003) and renewed by paragraph 1 (a) of resolution 1579 (2004) (enclosure 2);

3. Ministry of Lands, Mines and Energy: the Diamond Sanctions imposed by paragraph 6 of resolution 1521 (2003) and renewed by paragraph 1 (c) of resolution 1579 (2004) (enclosure 3);

H.E. Jacques Paul Klein
Special Representative of the United Nations
Secretary General and Coordinator of UNMIL
Congo Town
Monrovia, Liberia

4. Forestry Development Authority: the Timber Sanctions imposed by paragraph 10 of resolution 1521 (2003) and renewed by 1 (b) of resolution 1579 (2004) (enclosure 4);

With renewed assurances of my highest consideration.

Sincerely yours,

Abel M. Massalay
ACTING MINISTER

Enclosure 1

MINISTRY OF NATIONAL DEFENSE
REPORT ON SANCTIONS

SUBMITTED BY

HON. DANIEL L. CHEA, SR.
MINISTER OF NATIONAL DEFENSE
MINISTRY OF NATIONAL DEFENSE
MONROVIA, LIBERIA

SUBMITED TO

HON. THOMAS Y. NIMELY
MINISTER OF FOREIGN AFFAIRS
MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA

OVERVIEW

On August 18, 2003 a Comprehensive Peace Agreement was signed in Accra, Ghana by parties to the Liberian conflict. Among other things, the accord which ushered in a Transitional Government for Liberia brought an end to 14 years of hardship and human suffering for the Liberian people.

Prior to the Agreement, the United Nations had taken several steps to stop the killing and wanton destruction of lives and properties. These steps were guided by the following resolutions:-

A. Resolution 1521, paragraph 2 (2003)
B. Resolution 1579, paragraph 1 (2004)

1.0 ARMS EMBARGO

The imposition of Arms Embargo on Liberia as contained in paragraph 2 of Resolution 1521 (2003) and renewed in paragraph 1 (a) of Resolution 1579 (2004) was necessitated by the proliferation and constant flow of weapons and other related war-like materials in Liberia for the sole purpose of destroying lives and properties. The end of the 1980's saw an upsurge of violence ever unknown to the Republic of Liberia. Warring factions began springing up, a drive which engulfed the entire country by the middle of the 90's. Successive interventions, first by ECOMOG and now by UNMIL under the auspices of ECOWAS and the United Nations respectively, have brought some relief to the Liberian people. The war has ended and the warring factions have been disarmed and dissolved. The United Nations is in charge of State security throughout the length and breadth of Liberia.

However, the Arms Embargo should remain in place until a comprehensive Security Sector Reform (SSR) has taken place. Liberia's security is intertwined with the security of the sub region. In the wake of hostilities in La Cote D'Ivoire and other unstable spots, the Arms Embargo should remain firmly in place until the below conditions are fulfilled:-

A. The Restructuring of the Armed Forces of Liberia, AFL in accordance with the Comprehensive Peace Agreement signed in Accra, Ghana.

B. A total end to all regional hostilities

1.1 ***STEPS TAKEN BY THE NATIONAL TRANSITIONAL GOVERN MENT OF LIBERIA, NTGL***

A. The National Transitional Government of Liberia, NTGL under Chairman Bryant is working with other regional governments, the UN and the African Union (AU) to ensure that disarmament is carried out in a regional context.

B. The United Nations remain in charge of State security until the country's security apparatus has been successfully restructured.

C. The National Transitional Government of Liberia, NTGL is exerting every effort to source the necessary funds for the comprehensive re-structuring of the Armed Forces of Liberia, AFL.

2.0 TRAVEL BAND

The travel band was an additional measure imposed on individuals who directly or indirectly participated in the regional melee, especially the war in Liberia and neighboring Sierra Leone. The participation of these individuals ranged from utilization of State funds to fuel the conflict as well as violating UN sanctions. To date, some individuals are still justifiably on the travel band list while a few others were placed on the list because of their association with certain individuals who were violators of the above.

2.1 ***STEPS TAKEN BY THE NATIONAL TRANSITIONAL GOVDERNNMENT OF LIBERIA, NTGL***

A. The NTGL is working with the UN to ensure that the list is reviewed periodically with the view of removing the name (s) of individuals whose presence may no longer be necessary and at the same time up-dating the list where necessary.

B. The NTGL has also up-held the decision of the UN to freeze the assets of individuals who have and continue to violate the UN sanctions.

3.0 SANCTIONS ON TIMBER

The imposition of sanctions on the timber industry as per paragraph 10 of resolution 1521 (2003) and renewed by 1 (b) of resolution 1579 (2004) was indeed timely and a welcome development by both the NTGL and the Liberian people. Immediate control of Liberia's forests was imperative given that revenue from timber and other forest resources were been misappropriated by war-lords and some government officials.

Timber, prior to the imposition of sanctions, accounted for more than half of Liberia's exports and provided a ready source of cash for war-lords. Indeed, the UN Security Council sanctions on timber exports and other related forest reserves were absolutely necessary to deprive war-lords and combatants of revenue and to ensure that forest areas are brought under the effective control of UNMIL and the NTGL.

Effective control over forest areas and support for the Forest Sector Reform (FSR) including issues related to the environment are important objective and priority for the NTGL and the international community. These objectives, if achieved, will ensure that revenue generated from the sale of forest products is not used to fuel conflict.

While it is true that UNMIL and the NTGL have some control over the forest areas, the window of opportunity for securing maximum control over the sector is short, given the enormous pressure to re-open logging and, thus generate both livelihood opportunities and revenue for the Transitional process.

Accordingly, it would be prudent at this point in time to up-hold the timber sanctions until the appropriate laws have been enacted to ensure that both the revenue intake from the industry as well as reforestation policies are carefully reviewed.

3.1 **STEPS TAKEN BY THE NATIONAL TRANSITIONAL GOVERNMENT OF LIBERIA, NTGL**

A. The Transitional Government of Liberia, NTGL through the Forestry Development Authority is working with the United Nations to re-visit the laws governing the Forestry Development.

B. The Forest Sector Reform must adequately put in place

C. A democratically elected Government come October 2005 Presidential and Generai elections.

4.0 SANCTIONS ON DIAMONDS

Diamonds, one of the major mineral resources in Liberia, also provides appreciable revenue for the Liberian Government but these resources were grossly manipulated and misappropriated by fighters and some government officials during the 14 years of fratricidal war, thus subjecting the Liberian masses to abject poverty and victims of war at the expense of their natural resources. Accordingly, the imposition of sanctions on this industry by the UN was yet another positive measure to have effective control over the industry for the benefit of the Liberian masses. However, the NTGL has basically met all of the UN requirements for the lifting of sanctions on diamonds. It is therefore prudent at this time when un-employment has sky-rocketed that the sanctions on diamonds be lifted so that every Liberian as well as former fighters who have gone through the DDRR process can find some employment. Throughout the history of Liberia, there has been no mechanism to regulate mineral mining whether it is gold or diamond and because of this Liberia has several millions of dollars each year.

4.1 ***STEPS TAKEN BY THE NATIONAL TRANSITIONAL GOVERNMENT OF LIBERIA, NTGL***

A. The National Transitional Government of Liberia has established a transparent and internationally verifiable **Certificate of Origin Regime** for trade in rough diamonds.

B. The National Transitional Government of Liberia, (NTGL) has satisfied all conditions for inclusion into the **Kimberley Process,** thus making Liberia compliant.

Enclosure 2*

* The Secretariat notes that the response contained in enclosure 2 is to a request of the Panel of Experts.

Republic of Liberia

Ministry Of Justice

Monrovia, Liberia

OFFICE OF THE MINISTER

April 26, 2005

Mr. Minister:

We present compliments of the Ministry of Justice and hereby wish to transmit to Your Excellency the attached three (3) page instrument which seeks to respond to the inquiry of the United Nations Sanctions Committee.

Kind regards,

Professionally yours,

Cllr. Kabineh M. Ja'neh
MINISTER OF JUSTICE & ATTORNEY GENERAL/R.L.

Hon. Thomas Yaya Nimely
Minister of Foreign Affairs
Ministry of Foreign Affairs
Monrovia, Liberia

RESPONSE OF THE MINISTRY OF JUSTICE TO SECURITY COUNCIL SANCTIONS COMMITTEE QUESTIONAIRE

- What action has Ministry of Justice taken and contemplates to take to freeze the assets of the persons named in the assets freeze list issued under the SC resolution 1532 (2204)?

  The Ministry of Justice has filed two petitions for Declaratory Judgment against two of the persons named according to paragraphs 1 and 4(a) of Resolution 1532 (2004) before the Civil Law Court, sixth Judicial Circuit, Montserrado County. The Justice Ministry took this action when it readily identified assets of the two persons in its national pain-staking endeavors to identify all the assets contemplated in the UN Resolution. The assets so identified as a consequence of the Ministry of Justice investigations include Mr. Benoni Urey's multimillion dollars farm, situated in Careysburg, Montserrado County, as well as the forty percent (40%) shares the Ministry believes Messrs. Benoni Urey and Emmanuel Shaw jointly own in the LoneStar Communications Corporation. Following the filing of the petitions and the subsequent information to the management of Lone Star by the Minister of Justice to freeze any and all financial relations and interactions with the affected, the respondents filed a petition for a Writ of Prohibition in which they raised Constitutional issues. The matter is still pending before the Honorable Supreme Court and is expected to be heard during this (March) term, 2005. Thereafter, the Ministry of Justice will proceed consistent with the Resolution as well as the Laws of Liberia.

- Has the NTGL constituted any task force to asses the assets of these persons? If yes, the detail of the assets of each individual mentioned in the list may kindly provide to us.

  The Chairman of the National Transitional Government directed the Minister of Justice to take actions in compliance with the UNSC Resolution. The Minister of Justice who is also Chairman of the Joint Security has employed the various law enforcement units to give information that will lead to identifying the assets of the individuals listed. To date, much has not been achieved. The Minister recognizes the sophistication involved and desires to request the technical assistance of the international community in the premises.

- The Government tried to freeze the assets of two persons in one Telecom Company at a time when 3 other telecom companies were joining the competition in Liberia and Supreme Court stayed the action. What action has the NTGL taken to pursue the matter in the Supreme Court or to take preventive legal measures so that such things do not happen in future?

The Minister of Justice wrote a special letter to the Honorable Supreme Court of Liberia in which he respectfully applied during the October Term (2004) for the assignment of the case. The Ministry is informed that the case could not be heard due to previous matters on the docket of the Supreme Court. However, the Minister was able to get the assurances of the Supreme Court that the case will be amongst those to be heard shortly following the opening of the Supreme Court for the March Term, 2005.

- Has the Government frozen the bank accounts, safe deposit vaults, other financial assets and economic resources including moveable and immoveable properties of these two persons also? If yes, the details may kindly be furnished. If not, what are the reasons for delay in taking the action in this regard? Has the government not alerted these persons by only partially implementing the order?

  The Writ of Prohibition legally bars the Minister of Justice from taking action further against the two respondents/petitioners and all those "similarly situated." The idea of proceeding judicially certainly alerts those involved; but it neither erase the facts of ownership nor was there a legal way to do it without due notice as contemplated under the laws of Liberia.

- Has the Ministry identified the bank accounts of the persons listed in the assets freeze list in different banks of the country? If yes, name the Banks, locations of the branches in which the accounts are located, the amounts available in the accounts, bank statements of these accounts for the last three years etc, may kindly be provided. If not, what actions are proposed to be undertaken by the Government in this regard?

  The Government is certainly requesting international assistance in terms of the expertise to obtain all the desired information. The Ministry of Justice believes that a judicial order, as being sought by the Ministry of Justice would be nonetheless necessary in achieving the desired results.

- What kind of system is being placed to prevent these persons from selling their moveable and immoveable properties to others? Has the Government been monitoring the Sale of these properties of these persons since the assets freeze list issued by the UN?

  Those assets that can be easily identified, eg. houses, etc. the government through its law enforcement units is watching closely with the view to abort any transfer of title through legal means. Further, the Government desires to employ the international community to assist in preventing and monitoring the disposal of the assets, as it is believed that most of the assets are out of the Country.

- SC Resolution also states that all states shall also ensure that neither the assets frozen nor any other funds, other financial assets and economic

resources are made available, by their nationals or by any persons within their territory, directly or indirectly, to or for the benefit of such persons. What action has been taken by the NTGL to enforce this provision of the resolution?

The NTGL has requested all persons to reveal information relative to the assets of individuals listed in SC Resolution 1532 (2004). The Ministry of Justice has also held a special press conference in order to publicize the need for public cooperation in this information gathering exercise.

- Has the Government considered the option to taking the help of UN or any other Country for enforcing the financial sanctions?

  YES. As always indicated, the NTGL supports and welcomes any and all moves to give effect to the UNSC Resolution.

- A Czech citizen named Dalibor Kopp was arrested in Liberia on 12th January 2005 following an arrest warrant from the Czech Republic for weapons trafficking. A request for extradition was made by Czech Government to the Government of Liberia. Has the Government of Liberia considered this request and if yes, what would be the outcome and the answer?

  The Government has taken some concrete steps in the premises to aid the Czech Government. Firstly, the Minister of Justice prayed for a warrant of arrest prior to the requisition. Consequently, Mr. Kopp was kept in detention for a little over forty days, not strictly consistent with our laws. During this long detention period however, the Minister of Justice requested the Czech Government to transmit to Liberia any and all court's precepts issued in this matter. Note that Extradition Agreement or Treaty, is a mandatory legal requirement. The Ministry was of the view, that absent same as in the instance, a judicial order from a competent Court of Law of the Czech Republic, may allow the Government of the Republic of Liberia to extradite Mr. Kopp to the Czech Republic. Unfortunately, we are yet to receive such court's precepts from Czech Republic. In the mean time, Mr. Kopp is on bail consistent with our laws as the offense Mr. Kopp is charged with is also bailable in the Czech Republic.

This information is updated from time to time.

April 26, 2005.

Enclosure 3

2-IV

REPUBLIC OF LIBERIA
MINISTRY OF LANDS, MINES AND ENERGY

P.O. BOX 10-9024
1000 MONROVIA 10, LIBERIA, WEST AFRICA
TEL: (231) 226-858, FAX: (231) 226-281

OFFICE OF THE MINISTER

NTGL/JAM/218/MLM&E/'05

April 22, 2005

Ambassador Jacques Paul Klein
Special Representative of the Secretary-General and
Coordinator of the United Nations Operations in Liberia
Congo Town
Monrovia, Liberia

Your Excellency:

I have the honor to acknowledge receipt of your letter dated 14th April 2005 requesting for **assistance in obtaining information concerning progress made in meeting the conditions for lifting the sanctions currently in place concerning Liberia** and I am pleased to present an update of the activities and steps taken by the Government of Liberia in lieu of the above.

Sir, we are doing everything possible to meet up with the requirements of the Kimberley Process Certificate Scheme as a precursor to the lifting of the United Nations Security Council sanctions on Liberian rough diamonds.
The update submitted to you gives a summary of what has been done since the inception of the National Transitional Government of Liberia.

Mr. Ambassador, we request that you use your good offices to have the sanctions lifted on Liberia so that our IDPs and ex-combatants can be put back to work.

With sentiments of the highest esteem, I remain

Very truly yours,

Jonathan A. Ma
MINISTER

SUMMARY OF KPCS ACTIVITIES FOR THE LIFTING OF SANCTIONS ON LIBERIAN ROUGH DIAMONDS IN BRIEF

By Jonathan A. Mason
MINISTER OF LANDS, MINES AND ENERGY

This report gives a brief summary of the activities and steps undertaken by the National Transitional Government of Liberia to become Kimberley Process Certificate Scheme compliant and the subsequent lifting of United Nations Security Council sanctions on Liberia.

A) Compliance with UNSC Resolution 1343 and subsequent resolutions

I) Resolution 1343 (2001)

This Resolution imposed sanctions on Liberian rough diamonds and had the following specific demands:(Paragraphs 4 (a)-(d); 6; 7 (a)-(b)

a) That the Government of Liberia immediately cease its support for the RUF in Sierra Leone and other armed rebel groups in the region, and in particular take the following concrete steps:

i) expel all RUF members from Liberia, including such individuals as are listed by the UNSC Committee and prohibit all RUF activities on its territory;

ii) Cease all financial and, in accordance with Resolution 1171 (1998), military support to the RUF, including all transfers of arms and ammunition, all military training and provision of logistical and communication support, and take steps to ensure that no such support is provided from the territory of Liberia or its nationals;

iii) Cease all direct or indirect import of Sierra Leone rough diamonds which are not controlled through the Certificate of Origin regime of the Government of Sierra Leone, in accordance with Resolution 1306(2000);

iv) Freeze funds or financial resources or assets that are made available by its nationals or within its territory directly or indirectly for the benefit of the RUF or entities owned or controlled directly or indirectly by the RUF;

v) Ground all Liberia-registered aircraft operating within its jurisdiction until it updates its register of aircraft pursuant to Annex VII to the Chicago Convention on International Civil Aviation of 1944 and provides to the Council the updated

information concerning the registration and ownership of each aircraft registered in Liberia.

All the above have been accomplished by the Government of Liberia.

II) Resolution 1408 (2002)

This resolution re-imposed sanctions on Liberia with the following justification: (1) The UNSC decides that the Government of Liberia has not complied fully with the demands in paragraph 2 (i) to (V) of Resolution 1343(2001).

That the measures imposed by paragraphs 5 to 7 of Resolution 1343(2001) shall remain in force for a further period of 12 months from 00:01 Eastern Daylight Time on 7 May 2002, and that, at the end of this period, the Council will decide whether the Government of Liberia has complied with the demands referred to in paragraph 1 above, and, accordingly, whether to extend these measures for a further period with the same conditions.

III) Resolution 1478 (2003)

This Resolution again re-imposed sanctions on Liberia for the same reasons as Resolution 1408 taking effect at 00.01 May 7, 2003.

IV) Resolution 1521 (2003)

This resolution terminates some portions of Resolution 1343(2001) especially paragraphs 5, 6, and 7 and paragraphs 17 and 28 of Resolution 1478(2003) noting that the changed circumstances in Liberia, in particular the departure of former President Charles Taylor and the formation of the National Transitional Government of Liberia, and progress with the peace process in Sierra Leone, require the Council's determination for action under Chapter VII to be revised to reflect these altered circumstances.

IV) Resolution 1579 (2004)

This Resolution also re-imposed sanctions for a period of six months effective December 21, 2004.

B) The Sanctions Review Committee appointed by Chairman Bryant

On November 26, 2003 the Chairman of the National Transitional Government of Liberia (NTGL) set up a committee with membership comprised of civil society, the business community and Government to review the status of Liberia's compliance with the UNSC Resolutions and make recommendations as to the way forward.

That committee submitted its report to the Chairman on December 24, 2003.

The report recommended the following:

Recommendations

There are three priorities:

- **To provide assistance in the setting up of co-operatives with an assured route for artisanal miners from production to Kimberley Process Certification; and the possibility of hallmarked diamonds 'for development'. This should be the Governments short-term objective;**

- **To establish the parameters within which the Government can encourage investment in the mining exploration industry by serious exploration companies intending to bring in major mining investments in hard rock mineral exploration in Liberia;**

- **The provision of a supporting infrastructure based on the Ministry of Lands Mines and Energy and its**

sub-sectors in the Geological Survey and the Mines Department,

The Government must re-establish the basis on which the industry used to work and then add the extra controls now required by the Kimberley Process to ensure that the source of the diamonds entering the process is established. In parallel it should do all in its power to encourage external investment in the mineral exploration and mining industries to develop a much more vibrant and profitable sector.

C) The submission of the KPCS Act to the NTLA and its subsequent passage into law by that body

An Act legalizing the Kimberley Process Certificate Scheme in Liberia was submitted by the Legal Consul of the Ministry of Lands, Mines and Energy to the National Transitional Legislative Assembly (NTLA) in July 2004. That bill has been passed and printed into handbills.

D) The reorganization of the alluvial sector of the Liberian Mineral Industry (total ban on diamond mining activities for 2005)

i) Organization of miners into mining cooperatives

As an internal control mechanism, all alluvial miners are being organized into mining cooperatives (group of 20 to 40 miners form a cooperative and operative as a unit under Government set guidelines which govern them.)

ii) Subdivision of the country into four regions

The entire country has been subdivided into four (4) regions for effective control and monitoring. The regions include:

a) Western Region

b) Central Region

c) North Central Region
d) Southeastern Region
These regions will serve as centers for our awareness and internal control training programs.

iii) Creation of new mining agencies/districts for effective control
About 16 new Mining Agencies/Districts have been created in addition to the original 30 all for internal control purposes.

iv) Assignment of mining agents/Mineral Inspectors to mining agencies/districts
A total of 65 Mineral Inspectors and 46 Mining Agents have been assigned in the various Mining /Agencies Districts to carry out the Kimberley Process Certificate Scheme procedures for internal control.

v) Two major training seminars for the mining community in Monrovia as a precursor to internal control have taken place.
Two major seminars have also been conducted for Mining agents, Mineral Inspectors, Patrolmen and stakeholders on the KPCS.
a) Internal Control of alluvial mineral production, sales and export and awareness on the Kimberley Process Certificate Scheme
b) Artisanal mining procedures in African countries; a case study
By BRGM, France.

vi) Visit of Liberian delegation to the KPCS annual meeting in Quebec, Canada
For the first time since the imposition of sanctions on Liberia, the Government of

Liberia was officially invited to attend the KPCS Annual Conference in Quebec, Canada as observer.

A seven-man Liberian delegation attended the Canadian Conference during which a report was made to the KPCS Committee.

vii) Construction of Liberian KPCS Center in Monrovia

A modern KPCS center is being constructed to accommodate the certification process and also serve as database for mineral production, sales and export. The center will include a diamond appraisal unit, a gold appraisal unit, a conference room and offices for administrative staff of the KPCS.

viii) Collaboration and cooperation with UNMIL

There has been a very cordial working relationship between the Ministry of Lands, Mines and Energy and the United Nations Mission in Liberia (UNMIL) in the implementation of the KPCS in Liberia. Mr. Raul Carrera is the UNMIL personnel assigned to the Ministry for the liaison and cooperation that we have achieved.

a) Helicopter flights over mining districts for surveillance

In order to carry out surveillance in the mining areas of the country, since there is a ban on diamond mining, the Ministry of Lands, Mines and Energy requested UNMIL to assist with flights over areas that are suspect to illicit mining. A two-day flight to Bomi, Gbarpolu, Grand Cape Mount, Lofa and Grand Bassa and Sinoe Counties afforded the UNMIL-Ministry of Lands, Mines and Energy team to make very crucial observations. This resulted to the Ministry of Lands, Mines and

Energy dispatching Mineral Inspectors to anomalous areas to verify or halt any illicit activities.

b) Border/mining areas patrol by UNMIL and MLM&E

Amid reports of cross-border smuggling of minerals, the Ministry of Lands, Mines and Energy also requested UNMIL to assist in patrolling the accessible border areas especially the entry and exit points to curb these illicit acts and exert some level of control at each point. However, the UNMIL has not commenced such activity with the Ministry.

ix) Collaboration and cooperation with International Community in Liberia

With the positive developments in the implementation of the KPCS in Liberia, it was deemed expedient to involve the International Community in Liberia at all levels of operations and activities appertaining to a verifiable transparent implementation process.

a) Establishment of GOL-International Community KPCS Liaison Committee

The cooperation and collaboration between the Ministry of Lands, Mines and Energy and the International Community has resulted to the establishment of a working committee which has had and continues to have several working meetings in formulating the procedures for KPCS compliance; including the formation of mining cooperatives in the alluvial

sector of the mineral industry, the reorganization and restructuring of the Liberian Mineral Industry, the preparatory meetings for the visit of the KPCS Technical Review Committee, etc.

b) Progress/commitments made by the International Committee

As a result of the cooperation mentioned above, the United States Government through USAID Mission Director, Dr. Wilbur G. Thomas, has committed an initial amount of US$ 500,000.00 toward the implementation of the KPCS in Liberia.

The Chief of Party of the Liberia Community Infrastructure Program (LCIP), Mr. Mike Curry, also promised assistance in rebuilding/renovation of our regional offices in the four regions.

The UNDP Country Director, Mr. Steven Ursino, also promised assistance in the establishment of mining cooperatives.

A UNDP cooperatives expert was recently commissioned to visit Liberia to commence work on the formation of mining cooperatives.

X) Training of trainers program for internal control

In consonance with the goals and objectives of the KPCS, the Ministry of Lands, Mines and Energy has planned to carry out the following in the short term:

a) **Development of curriculum/training brochures**
b) **Two-week intensive training of trainers in Monrovia**
c) **Establishment of training centers in mining districts for subsequent training of miners and other stakeholders on internal control of mineral production, sales and export**

Xi) Precious Minerals Trading Center (PMTC)

The Ministry of Lands, Mines and Energy is proposing a one-stop center for all mineral transactions in Liberia by creating a Precious Minerals Trading Center; a Diamond/Gold House concept. Modalities are being worked out for the implementation of this concept.

Xii) Training of Trainers Workshop

In late February to early March, 2005, a two-week Training of Trainers Workshop was conducted by the Ministry of Lands, Mines and Energy to prepare Mining Agents and Mineral Inspectors for the implementation of the KPCS in the entire country. During the workshop, a total of 100 trainers received certificates. Many of these mineral technicians are now being deployed in the various counties with the help of UNMIL Helicopter airlifts.

Xiii) The UNDP involvement with mining cooperatives establishment and the concept of "Diamonds for Development"

The United Nations Development Program (UNDP) has and continues to show interest in the internal control of our diamond production, sales and export. Work programs have begun with that institution to develop the concept "Diamonds for Development" where a certain percentage of the value of the diamonds recovered from a given locality is put in escrow for development of that locality.

Xiv) Kimberley Process Certificate

The Government has concluded arrangements and printed the requisite Kimberley Process Certification Scheme Certificate unique to Liberia and this is presently stored with Mr. Mark Van Bockstael of the High Diamond Council in Belgium.
This certificate will be used when the sanctions are lifted and diamond exports commence.

Enclosure 4

REPUBLIC OF LIBERIA
FORESTRY DEVELOPMENT AUTHORITY
P.O. BOX 10-3010
1000 MONROVIA 10, LIBERIA
WEST AFRICA

Office of the Managing Director

Telephone : 888-330133
Cables : FORDA
Fax : 00231-226888-330133

April 18, 2005

Honorable Thomas Y. Nimley
Minister
Ministry of Foreign Affairs
Monrovia, Liberia

Honorable Minister:

I wish to acknowledge receipt of your communication dated 15th April 2005 requesting an update from my office on the reform measures undertaken by the Forestry Development Authority towards meeting the conditions set in UN Security Council Resolution 1579.

The FDA has worked very closely with the Liberia Forest Initiative (LFI) to ensure the necessary reforms are undertaken at the Forestry Development Authority. Mr. Bob Simpson of the United States Forest Service resides in Monrovia and heads the LFI. Mr. Simpson has been a tremendous resource to the FDA and currently heads the technical secretariat which has set May 31st 2005 as the end date for the review of all Concession Agreements under Level III Concession Review.

Along with the LFI and US Treasury Advisor the FDA has hired a new Comptroller to ensure financial accountability and transparency at the entity. The US Forest Service is also in the process of hiring a technical counterpart to the new Comptroller.

Honorable Minister, these steps should clearly raise the confidence level of the UN Security Council in ensuring that timber revenues are transparently collected and deposited in the timber revenue account also now established at the Central Bank of Liberia. There has been full deployment, at the five newly renovated Regional offices, of the Forestry Development Authority staff.

The Forestry Development Authority has imposed a ban on Pit Sawing and continues to work closely with the UNMIL authorities at various Check Points to ensure the ban is enforced.

Lately, Mr. Minister, the NTGL Chairman and the SRSG and head of UNMIL did prioritize the protection of Sapo National Park from illegal and illicit mining and plans are now underway to clear Sapo Park, our traditional Heritage.

Mr. Minister, the Forestry Development Authority has worked assiduously towards meeting the conditions set forth in the UN Security Council Resolution 1579 and has met and cooperated fully with Dr. Blundell the Timber Specialist on the UN Panel of Experts who visited the Country for a three week period.

I believe, Sir, the NTGL is ready and should continue to make an appeal to the UN Security Council to lift the Sanctions on the Timber Sector. The Sanctions have had an adverse impact on the lives of several thousand Liberians who rely on the timber industry for employment and the livelihood of their families. As Liberia moves toward restoring lasting peace and tranquility, the bedrock of sustainable peace can only be achieved if Liberians are provided the opportunity to work and rebuild their lives and communities.

Thank you very much for the opportunity to present to you this brief on the Timber Sanctions and request your support in prevailing on the UN Security Council the need to lift the Sanctions on the Timber Sector.

Kindest regards.

Sincerely yours,

D. Eugene Wilson
MANAGING DIRECTOR

Annex II

ROBERTS INTERNATIONAL AIRPORT
P.O.BOX 1
ROBERTSFIELD, LIBERIA
TEL.:(231) 228007

April 20, 2005

Ambassador Jacques Paul Klein
Special Representative of the Secretary-General and
Coordinator of United Nations Operations in Liberia
Tubman Blvd, Oldest Congo Town
Monrovia, Liberia

Your Excellency:

We present our compliments and have the pleasure to acknowledge receipt of your letter of 14, April 2005 requesting our assistance in obtaining information concerning progress made by the National Transitional Government of Liberia (NTGL) in the conditions for lifting current UN sanctions on Liberia.

While we have no particular details of steps NTGL may have taken towards the lifting of sanctions in the four categories mentioned in the UN resolutions, we are elated to be a part of this important process; designed to ensure true democracy, economic viability and genuine peace, through good governance in Liberia. It is therefore befitting that we make the following non-official comments, in respect of the sanctions:

- It is necessary, given the prevailing situation in the country – the fragility of the peace process and economic mismanagement, the sanctions must remain in place until an elected government can guarantee that it has the ability to satisfy the requirements for the lifting of the sanctions on Liberia.

- Many of the concerns raised by the Security Council that form the basis for the sanctions remain valid today, despite progress being made by UNMIL to improve the security situation in Liberia. For example, the purpose of the travel ban on certain individuals who looted the Liberian resources and treasury is to ensure that those persons are denied the opportunity to regroup elsewhere and finance another insurgency in Liberia. With their financial potential, these people still pose a significant risk to the peace process. This observation applies also to the arm embargo.

- The National Transitional Government of Liberia (NTGL) has not satisfactorily demonstrated that it has developed adequate plan for the management and

conservation of Liberia's natural resources, to include timber and minerals. Points in case are the uncontrolled pit sawing and illegal mining now going on in the Sapo National Forest. The government is unable to take positive steps to establish control over these resources now and will certainly not be able to do so when sanctions are removed.

Again, we must emphasize here that the sanctions are necessary at this critical transitional period. Amidst wide spread corruption, mismanagement and total lack of accountability and transparency, there can be no better guarantee to peace in Liberia and the protection of her natural resources for the benefit of the people than keeping the current sanctions in place.

Kindest regards.

John W. Collins, Sr.
General Manager

Annex III

ECONOMIC COMMUNITY OF
WEST AFRICAN STATES

COMMUNAUTE ECONOMIQUE
DES ETATS DE L'AFRIQUE
DE L'OUEST

Office of the Special Representative of the Executive Secretary of ECOWAS in Liberia
Tubman Boulevard, Congo Town
Monrovia, Liberia
Cells (+231-6) 514656/512070/
E-mails ecowas_west_liberia@yahoo.co.uk

19 May 2005

Your Excellency,

Thank you very much for your letter dated 18th May 2005, requesting our views on the conditions for lifting the sanctions measures currently imposed on Liberia. I regret the delay in response.

I have perused your report and am of the view that whilst the NTGL has taken some measures towards meeting the conditions for lifting sanctions, it may be premature to lift these sanctions now. Control measures are weak, if not non-existent. Until effective controls are put in place, abuse is possible and even likely.

Please accept Your Excellency the assurances of my highest consideration.

Ansumana E. Ceesay
Special Representative of the
Executive Secretary of ECOWAS in Liberia

His Excellency Mr. Abou Moussa
Officer-in-Charge
UNMIL
Congo Town
Monrovia, Liberia